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Behavioral Health Care: Navigating Reimbursement and Staffing

Presented to:

Joint Task Force on Improving Safety of Behavioral Health Workers

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Agenda

- Reimbursement Models for Behavioral Health Care
- Recent Rate Updates and Changes
- Methods for Regulating Staffing Levels
- Linking Staffing Requirements to Payment
- Opportunities for Collaboration
- Questions



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Reimbursement Models for Behavioral Health Care

Institutional Settings

CCO Global Payment Models

- Capitated Per Member Per Month (PMPM) payments for all covered services, including Behavioral Health.
 - Covers CCO costs for BH services
 - Does not directly affect how CCOs contract with providers
- CCO BH Qualified Directed Payments
 - Minimum payment levels for outpatient BH services.
- Risk Corridors (temporary)
 - Used to align OHA payments with CCO payments to providers in limited cases; primarily for new services.

Fee For Service (FFS) Payments

FFS Payments:

- Outpatient services:
 - Average aggregate increase of approximately 30 percent in July 2022
 - Two separate 3.4 percent COLA adjustments, effective October 2023 and July 2024
- Residential Services
 - Tier-based rates for residential services.
 - Received same enhancements as outpatient services
- Resource-Based Relative Value Scale (RBRVS)
 - Primarily utilized for Physical Health FFS rates; utilized for some outpatient Mental Health codes covered by Medicare

Other Settings

- PRTF Methodology:
 - Per diem rate established and reviewed every two years.
- Mobile Crisis Intervention Services (MCIS) Payment Methodology:
 - Higher rates for two-person teams to avoid lone worker scenarios.
- SUD Payment Methodology:
 - Reimburse for payment through Fee-Schedule
 - Value-based payment model using the ASAM criteria; the model is structured to incentivize providers to deliver high quality care by linking payment to patient outcomes.
- Inpatient Psychiatric:
 - Modified DRG pricing: increased base rates and additional per diem amounts.



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Recent Rate Updates and Changes

Adult Mental Health Residential

- Contracted with actuarial firm (Optumus) to complete rate standardization work
- Engaged Providers, Oregon Council for Behavioral Health, and the Association of Community Mental Health Programs to inform the development of reporting spreadsheet
 - 53 percent provider response rate
 - Compared to 84 percent provider response rate in 2019
- Actuarial firm will present to Medicaid and Behavioral Health Leadership in September, with rate updates anticipated prior to the end of 2024.

Rate Review Committee

- Manages requests for intensive services requests
- Manages Retainer payment requests
- Requests from residential partners for funding requests to address needs not captured in the current assessment tool
 - Medical complexities
 - Forensic risks

Mobile Crisis Intervention Services (MCIS)

- Qualifying 2-person teams can bill Medicaid for the higher rate.
 - Previous rate: \$41.70 per 15 minutes
 - Higher rate: \$112.87 per 15 minutes.
- If one of the two people on the team is always a QMHP then the State of Oregon can pull down the enhanced match.
- Requirement for MCIS are found in [OAR chapter 309, Division 72](#).

Adult Foster Home

- AFH rates are collectively bargained, and include AFH providers from all three AFH programs, SEIU, and representatives from DAS, OHA, ODHS
- Rates are collectively bargained each Biennium
- During the 2023 collective bargaining, OHA bargained to provide:
 - 5.0 percent increase effective December 2023
 - 4.5 percent increase effective January 2025
- SEIU and AFH Providers requested they be included in future rate increases, outside of the bargaining process

Personal Care Attendant

- PCA rates are collectively bargained, and include HCW, PSW, and PCA providers, SEIU, and representatives from DAS, OHA, ODHS
- First phase: as of January 1, 2024 – workers received \$1.73 per hour increase, from \$17.77 per hour to \$19.50 per hour.
- Second phase: as of July 1, 2024 – applies a step system commensurate with annual hours worked

| Step | Hours Worked and accumulated since January 1, 2023 | July 1, 2024, Hourly Rate | Jan. 1, 2025, Hourly Rate |
|------|--|---------------------------|---------------------------|
| 1 | 0 < 2000 | \$19.50 | \$20.00 |
| 2 | 2000 < 4000 | \$20.50 | \$21.00 |
| 3 | 4000 < 6000 | \$21.50 | \$22.00 |
| 4 | 6000 < 8000 | \$22.50 | \$23.00 |
| 5 | 8000+ | \$23.50 | \$24.00 |

Inpatient Psychiatric

- In partnership with providing hospitals and Governor's office, OHA engaged actuarial firm (Mercer) to develop proposal for increased inpatient psychiatric rates to be effective January 1, 2025
 - Proposed base rates may range ~1.5 to 2.0x current base rates
 - Rule-writing process to begin shortly

Children's Behavioral Continuum of Care

- In 2022, OHA contracted with actuarial firm (Optumus) to complete rate standardization work, utilized findings to inform rate increases
- Providers were engaged to inform the development of reporting spreadsheet
 - Full cost of current services
 - Cost of any modernization or updates to current models
- OHA has initiated a follow-up study with Optumus to begin Fall 2024, with rate recommendations by February 2025
 - Re-engage providers for true cost of care
 - Create updated rate model

Fee For Service (FFS)

- OHA completed a crosswalk between Medicaid state rates and Medicare rates in Q2 2024
- Medicare does cover some outpatient rates, but the majority of BH services do not have a corresponding Medicare rate
- OHA is working on increasing the conversion factor (CF) for RVU weight-based (from \$25.48 to \$27.11) to 80 percent of 2023 Medicare for much of the physical health fee schedule CF
 - Status: SPA submitted

CCO BH Qualified Directed Payments

- CY23 and CY24 CCO capitation rates reflect HB 5202 funding
 - Money applied through “directed payments” to ensure CCOs increased BH provider rates
 - Additional features directed higher payments to Medicaid-primary organizations, Culturally and Linguistically Specific Services (CLSS) providers, and co-occurring disorder services
- CY25 CCO capitation rates
 - OHA is in the process of simplifying and renewing the Behavioral Health Directed Payment program
 - This will continue to include higher payments to primarily Medicaid Behavioral Health providers, providers of CLSS providers (expansion to Traditional Health Workers) and co-occurring disorder treatment providers



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Mechanisms for Regulating Staffing Levels

Mobile Crisis Intervention Services (MCIS)

- By having a two-person team, individual clinicians are not responding to individuals in crisis alone in public settings or private residences.
- The two-person team also reduces the reliance on involvement of law enforcement
 - The presence of law enforcement or other uniformed responders can sometimes escalate a situation depending on the experience of the individual in crisis and the behavior of the uniformed responders.

Capacity and Staffing (one of two)

Adult Foster Home

- Maximum Capacity = 5
- Minimum Staff = 1 at all times

Intensive Treatment Services

- Maximum Capacity = None
- Minimum Staff = 1:3 day, 1:6 night
- Additional professional staff requirements

Regional Acute Care Psychiatric Services

- Maximum Capacity = 16 non-hospital
- Minimum Staff = 2 at all times
- Additional professional staff requirements

Residential Problem Gambling Treatment Program

- Maximum Capacity = None
- Minimum Staff = 1 at all times

Capacity and Staffing (two of two)

Residential Treatment Facility

- Maximum Capacity = 16
- Minimum Staff = 1 at all times

Residential Treatment Home

- Maximum Capacity = 5
- Minimum Staff = 1 at all times

Secure Residential Treatment Facility

- Maximum Capacity = 16
- Minimum Staff = 2 at all times
- Additional professional staff requirements

Substance Use Disorder Residential Treatment Facility

- Maximum Capacity = None
- Minimum Staff = 1 at all times
- Additional professional staff requirements

Substance Use Disorder Withdrawal Management Facility

- Maximum Capacity = None
- Minimum Staff = 1 at all times
- Additional professional staff requirements



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Linking Staffing Requirements to Payments

Mechanisms Linked to Payment

- **MCIS:** Higher payment for two-person teams.
- **Adult Foster Homes:** Collective bargaining impacts staffing and payment rates.
 - Subject to the amount in the bargaining pot for OHA and ODHS to implement
- **Personal Care Attendant Rates:** Step-based increases impacting compensation.
 - Subject to the amount in the bargaining pot for OHA and ODHS to implement
- **Documentation Standards**
 - For services provided to meet individual's medical complexities and forensic risk areas
 - Necessary for services and supports to address complex behavioral needs

Mechanisms Not Directly Linked to Payment

- Licensing and regulations enforce staffing requirements but may not adjust payments directly.
- Client care plans and acuity-based payments inform but don't always dictate direct payment changes.



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Opportunities for Collaboration

Ongoing and Future Rate Redesign Efforts

- Review of Ongoing Rate Redesign Efforts
 - Residential rate standardization
 - Ensuring community input, including members, providers, and advocates
 - Reviewing rates by reconciling historical implementation and using lessons learned
 - Evolving qualified direct payments yearly
- Review of Future Rate Redesign Efforts
 - Standardizing rates with a benchmark percentage of Medicare
 - Applying RVU to applicable services reimbursed by Medicare, to address benchmarks
 - Initiating Value Based Payment methodologies when and where appropriate

Discussion

- Potential Policy mechanisms to further ensure adequate staffing:
 - New federal Home and Community Based Services (HCBS) assess rules
 - New functional needs assessment tools to address additional complexities not captured in the LSI
 - Developing and piloting a questionnaire to be completed by hospital and CMHP staff to address an individual's needs and direct assessment by the appropriate eligibility entity.
 - Ensuring timely access to eligibility assessment
 - Reduce duplication of assessment work and trauma experienced by members
 - Improve timely access to home and community-based service referrals.



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Questions

Thank you

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More information can be found at:

- <https://www.oregon.gov/oha/HSD/OHP/Pages/1915i.aspx>
- <https://www.oregon.gov/oha/hsd/ohp/pages/fee-schedule.aspx>
- <https://www.oregon.gov/oha/hsd/ohp/pages/bh-rate-increase.aspx>

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